

The complaint

Mrs A and Mr Q complain that Lloyds Bank PLC (“Lloyds”) held them liable for a failed cash withdrawal.

What happened

I’ll mainly refer to Mr Q throughout this complaint for ease of reading as it was him who was involved with the claim for a refund made to Lloyds.

Mr Q explained that he tried to make two withdrawals from an automated teller machine (ATM) and only one of them was successful. He went on to say that Lloyds debited both of the withdrawals (2 x £250) from the account.

Mr Q made a claim about the failed withdrawal. Lloyds needed some further information from Mr Q and wrote to him. Mr Q said he first entered the wrong personal identification number (PIN) into the ATM before successfully withdrawing £250.

Lloyds credited a temporary refund back to the account whilst they investigated what had happened with the withdrawal. Because the ATM wasn’t a Lloyds machine, they asked the operator to provide audit data about the transactions and other information about the performance of the ATM.

The operator sent information back to Lloyds which showed that:

- Mr Q first entered the wrong PIN into the machine.
- He went on to make a successful withdrawal for £250.
- Several other transactions made by other card users were then successfully made from the ATM.
- Mr Q again used the same ATM, making a balance enquiry before successfully withdrawing a further £250.
- Transactions from other card users both before and after the disputed transactions were successful.
- The ATM “balanced” when it was next checked.

After reviewing this information, Lloyds sent correspondence to Mr Q advising that they were taking the temporary refund back because the evidence showed both withdrawals had been successful.

After the refund was removed, Mr Q (via his partner Mrs A) contacted Lloyds about the temporary credit to their account. They were unaware it was being taken back and complained to Lloyds.

Lloyds looked at how they'd handled the dispute and later wrote to both account holders advising them they weren't going to make a refund. Lloyds also confirmed they'd advised the account holders of their intention to recover the temporary refund.

Mrs A and Mr Q were unhappy with Lloyds decision to deny a refund and brought their complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to the complaint and both parties were asked to provide details of the issue.

Mr Q confirmed that he'd had a failed attempt to withdraw £250 but had been held liable for two withdrawals of the same amount. Mrs A and Mr Q were also unhappy that they weren't told about the removal of the refund.

Lloyds provided their audit data from the operator of the ATM.

After reviewing the evidence, the investigator concluded that the ATM dispensed the two withdrawals and didn't uphold the complaint.

Mrs A and Mr Q remained unhappy with the outcome and asked for a further review of their complaint which has now been passed to me for a decision.

As part of my own investigation, I asked Lloyds to provide further analysis of the ATM's records.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Put simply, Lloyds are required to show that the transactions undertaken by Mr Q weren't affected by "... *a technical breakdown or some other deficiency...*". Section 75 of the Payment Service Regulations 2017 refers. That means Lloyds have to demonstrate that the machine was working properly at the time of the withdrawals in order to hold Mr Q liable for them.

Mr Q has explained how he used the ATM and only received one successful withdrawal of funds. Lloyds have provided evidence to show the ATM operated successfully whilst he was using it and that it was also used by others around the same time.

When looking at the audit data from the ATM operator, it shows Mr Q entered the wrong PIN before then completing a successful £250 withdrawal. The ATM was used a number of times prior to that by other card holders which appear to have all been successful.

After the first withdrawal, other card holders made use of the ATM, again successfully before Mr Q re-entered his card, made a balance enquiry and then withdrew another £250. This was followed by other successful withdrawals by other users of the ATM.

The use of the card at the ATM is slightly different to Mr Q's own recollection when he wrote to our service. He told us that he made two attempts and the first got declined due to the wrong PIN and then the second attempt was successful. But, the ATM records show there were three uses of the card – the third (as described above) after other card holders had used the ATM.

The ATM records also show it didn't have unexplained funds that could be linked to Mr Q's use of the machine. When it was checked the following day, the ATM balanced. That means the records and the physical cash matched. There was some cash in the "purge box" (a part

of the ATM that collects notes that have failed to be dispensed or for other reasons) , but I'm satisfied this was unrelated to Mr Q's withdrawal.

Whilst I appreciate Mr Q's belief that the ATM failed to dispense the funds he's asked for, the records don't support that. What they do show is that the ATM dispensed two amounts of £250. As I wasn't present at the time, I can't know exactly what happened. It's possible that Mr Q was unaware of the funds being dispensed on the second occasion and they could have been taken by someone else.

But, as the ATM records show that both withdrawals were made after Mr Q requested them, I'm satisfied that Lloyds have demonstrated the ATM was working properly at the time, so I can't fairly ask them to make any refund.

I've also considered whether Lloyds notified Mrs A and Mr Q about the removal of the refund. Having reviewed the evidence, it shows a message was sent by Lloyds. I think it's likely that this wasn't seen by Mrs A and Mr Q, but I can't hold Lloyds responsible for it not being read. I've also reviewed the statements to see whether this caused any particular hardship to Mrs A and Mr Q. At the time their account had a healthy balance and Lloyds removal of the refund doesn't appear to have caused any issues with their available funds.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr Q to accept or reject my decision before 19 February 2025.

David Perry
Ombudsman